

TRIPLING TOBACCO TAXES TO PREVENT 200 MILLION PREMATURE DEATHS

TRIPLING TOBACCO tax globally would cut smoking by a third, and prevent 200 million premature deaths this century from lung cancer and other diseases, according to a review published in the *New England Journal of Medicine* today (Thursday).

Boosting the tax by a large fixed amount per cigarette would narrow the price gap between the most and least expensive cigarettes, so it would encourage people to quit smoking altogether rather than switch to a cheaper brand, and would help stop young people from starting.

This would be especially effective in low-to-middle-income countries where the cheapest cigarettes are relatively affordable. But it would also be effective in richer countries: France cut cigarette consumption from 1990 to 2005 in half by raising taxes well above inflation.

“Death and taxes are inevitable, but they don’t need to be in that order,” Professor Prabhat Jha, co-author and Director of the Centre for Global Health Research (CGHR) at the University of Toronto. “A higher tax on tobacco is the single most effective intervention to lower smoking rates and to deter future smokers.”

“Globally, about half of all young men and one in ten of all young women become smokers, and, particularly in developing countries, relatively few quit. If they keep smoking, about half will be killed by it, but if they stop before 40, they’ll reduce their risk of dying from tobacco by 90 per cent.”

He added: “The international tobacco industry makes about US \$50 billion (Chinese Yuan CN¥, 300 billion; Indian Rupee ₹ 300,000 crore) in profits each year – that’s a profit of approximately \$10,000 (CN¥ 60,000; IN₹ 6 lakh) for each death from smoking.”

Governments have agreed to prioritise reducing premature deaths from cancer and other chronic diseases in the United Nations General Assembly and in the WHO’s 2013 World

Health Assembly. Smoking is the largest cause of premature death from chronic disease, and governments agreed a global target of reducing smoking by a third by 2025.

Tripling tobacco taxes would decrease worldwide consumption by about a third, but despite this it would also increase government revenues from tobacco by a third, from US\$300bn (CN¥ 1,800 bn; IN₹ 18 lakh crore) a year now to US\$400bn (CN¥ 2,400 bn; IN₹ 24 lakh crore) a year – income which could be spent on better healthcare.

In China and India, tobacco already causes about 1 million (10 lakh) deaths a year in each country, of which at least half are under the age of 70. A doubling of cigarette prices would prevent over 300,000 deaths a year in the under 70s just in China and India.

Controlling tobacco marketing is also key to helping people give up smoking. Australia changed to standardised plain packaging in 2012 – a measure New Zealand plans to copy.

Worldwide, around a half-billion children and adults under the age of 35 are already – or soon will be – smokers and on current patterns few will quit,” said Professor Sir Richard Peto of the University of Oxford, the study co-author.

“So there’s an urgent need for governments to find ways to stop people starting and to help smokers give up. This study demonstrates that tobacco taxes are a hugely powerful lever and potentially a triple win – reducing the numbers of people who smoke and who die from their addiction, reducing premature deaths from smoking and yet, at the same time, increasing government income. All governments can take action by regularly raising tobacco taxes above inflation, and using occasional steep tax hikes starting with their next budget”.

“Young adult smokers will lose about a decade of life if they continue to smoke – they’ve so much to gain by stopping.”

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For media enquiries from Asia, please contact Prabhat Sati Phone+91 971 196 4550

satip@smh.ca

Notes to Editors:

*Global Effects of Smoking, of Quitting, and of Taxing Tobacco. Prabhat Jha and Richard Peto. *New England Journal of Medicine*. 1 Jan 2014. DOI: 10.1056/NEJMra1308383. The review examined 63 research papers on the causes and consequences of tobacco use in many different countries. Paper, video and other materials are available at www.cghr.org/tobacco

Note on Indian Units:

Indian Quotation	Amount	International Quotation
1 Lakh	100,000	100 Thousands
10 Lakhs	1,000,000	1 Million
1 Crore	10,000,000	10 Million
10 Crores	100,000,000	100 Million
100 Crores	1,000,000,000	1 Billion

- Smokers lose, on average, at least ten years of life, but stopping before age 40, and preferably well before age 40, avoids more than 90 per cent of the increased risk among those who continue to smoke, while stopping before age 30 avoids over 97 per cent of it.
- About 1.3 billion people smoke, most in low and middle-income countries.
- Two-thirds of all smokers are, in descending number of smokers, in China (320 million, India (122 million or 1.22 crore) the EU, Indonesia, the United States, Russia, Japan, Brazil, Bangladesh and Pakistan.
- China consumes over two trillion cigarettes a year, out of a world total of six trillion.
- Smoking causes about 12-25 per cent of all deaths in middle-aged men in China, India, Bangladesh and South Africa, and these proportions are set to rise as successive generations in which few people have smoked throughout adult life are being replaced by generations in which many people have smoked throughout adult life.
- Numerous studies find that a 50 per cent higher inflation-adjusted price for cigarettes reduces consumption by about 20 per cent, with stronger reductions among the young and among the poor.
- We call for a tripling of the “specific excise tax”, and have defined exactly what this term means. (Roughly, it’s a fixed tax per packet.) There are also other cigarette taxes

(eg, the “ad valorem” tax [which depends on the supposed value of the product and could be very different from one type of cigarette to another], the sales tax, local taxes, and so on).

- In most high-income countries, about 50-60 per cent of the retail price of a pack of cigarettes is the specific excise tax (ie, the tax per pack). By contrast, this proportion is only about 30-40 per cent in most low- and middle-income countries.
- About \$300bn (CN¥ 1,800 bn; IN₹ 18 lakh crore) in revenue is raised from tobacco worldwide. Tripling the tax would double the price and reduce consumption by about a third, but despite this decrease it would net an extra \$100bn (CN¥ 600 bn; IN₹ 6 lakh crore) in revenue.
- A low excise tax is the main reason cigarettes are cheaper in many low and middle-income countries than in high-income countries.
- About 10 per cent of all cigarettes manufactured worldwide are then smuggled. Smart taxation enforcement strategies can greatly reduce smuggling. Even with some smuggling, higher taxes reduce consumption and increase revenues.
- Non-price interventions such as bans on promotion, plain packaging (already used in Australia) pictorial warning labels, smoke-free laws and support for cessation help reduce smoking, and raise support for higher taxes.

About CGHR

The mission of the Centre for Global Health Research (CGHR) is very clear: to lead high quality public health research that advances global health for all, with particular attention to the world’s poorest populations. By studying the causes, distribution, and control of diseases in developing countries, CGHR provides a roadmap for rapid action to improve the health and quality of life for the global poor, helping to end the cycle of poverty and poor health.

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